

EXHIBIT 1

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Entertainment LLC*

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

MICROSOFT CORP.,

and

ACTIVISION BLIZZARD, INC.,

Defendants.

Case No. 3:23-cv-2880

**DECLARATION OF CHRISTIAN
SVENSSON IN SUPPORT OF NON-
PARTY SONY INTERACTIVE
ENTERTAINMENT LLC'S MOTION
AND ADMINISTRATIVE MOTION
FOR SEALING AND *IN CAMERA*
TREATMENT**

1 I, Christian Svensson, declare as follows:

2 1. I am Head of Global Third Party Relations at Sony Interactive Entertainment LLC
3 (“SIE”). I am more than eighteen years of age. Based on my experience with SIE, I am familiar
4 with SIE’s protection of its trade secrets and other confidential and proprietary business
5 information discussed below. I make this declaration based on personal knowledge, and I could
6 testify competently to the matters set forth herein.

7 2. I understand that on June 20, 2023, the Federal Trade Commission (“FTC”) and
8 defendants Microsoft Corporation and Activision Blizzard, Inc. filed exhibit lists with the Court
9 (ECF Nos. 128 and 137, respectively). I understand that the listed exhibits reference or contain
10 certain highly confidential SIE information. I also understand that SIE intends to file a motion for
11 sealing and in camera treatment of these documents to protect SIE’s confidential information. I
12 make this declaration in support of that motion.

13 3. I understand that the proposed exhibits contain several different categories of
14 confidential information, including:

- 15 • Non-public SIE data, analysis, and survey results relating to SIE product
16 strategy and platform users’ behavior on SIE’s platform, including user
17 engagement, gameplay, spend, likelihood of switching, or potential
18 competitive impacts of Microsoft’s proposed acquisition of Activision;
- 19 • Non-public information about SIE’s approach to contract negotiations with
20 third party partners and discussions of particular contract terms with particular
21 partners;
- 22 • Non-public information on the nature and scope of SIE’s technical
23 collaboration with particular publishers;
- 24 • Non-public information about SIE’s business strategies, competitive business
25

1 plans, future investment plans, console and product development plans,
2 product roadmaps, innovation plans; and

- 3 • Non-public SIE business analysis regarding competitors' and commercial
4 partners' behavior and products.

5 4. The information SIE seeks to keep confidential is non-public information internal
6 to SIE. The information includes confidential, internal SIE data, including platform user and
7 franchise data, and economic and commercial analyses and business strategies that are not
8 publicly accessible outside SIE. These data and analyses include franchise performance
9 comparisons, user preferences, player spending amounts, and other categories of data. SIE's
10 access to and use of these data and analyses is a competitive advantage that it relies upon for
11 strategic planning, including competitive, marketing, and business strategies. SIE's competitive
12 analysis of the potential impacts of Microsoft's proposed acquisition of Activision on SIE's
13 business, in particular, is based on and informed by SIE's internal data and analyses and should
14 not be made publicly available. SIE's commercial partners could gain unfair leverage in future
15 SIE interactions with knowledge of SIE's specific competitive concerns regarding the proposed
16 transaction.
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18 5. SIE's confidential business strategies and plans to compete, including product
19 innovations plans, are also highly sensitive and cannot be shared with SIE's competitors without
20 detriment to SIE. SIE operates on the basis that its business strategy materials and discussions
21 will not be shared outside SIE and it seeks competitive advantage by maintaining secrecy over
22 these strategies and plans. SIE strictly restricts dissemination of this type of data and competitive
23 and business strategy analyses. SIE takes steps to preserve the confidentiality of this type of
24 information to protect SIE's competitive position, and its release could provide insight into SIE's
25 strategic plans or create information asymmetries during commercial negotiations. SIE does not
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1 share this information with the public.

2 6. SIE also seeks to keep confidential information relating to its approach to contract
3 negotiations with particular counterparties and details of particular contract terms between SIE
4 and certain counterparties. These negotiations and any resulting contracts are often subject to
5 confidentiality provisions. Public release of this information would put SIE at a disadvantage in
6 current and future negotiations by creating an information asymmetry between SIE and its
7 counterparties, whereby counterparties would have insight into SIE's negotiations and outcomes,
8 but SIE would have no insight into its counterparties' negotiations and outcomes. Moreover,
9 even the very existence of negotiations and contracts with certain third parties is confidential and
10 could not be disclosed publicly without risking substantial harm to SIE's other business
11 relationships.
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13 7. Similarly, SIE seeks to keep confidential information detailing the nature and
14 scope of SIE's technical collaboration with third-party partners. Such collaboration with
15 independent developers and publishers is an important component of SIE's strategy to
16 differentiate its products. Public disclosure of the details of this collaboration would
17 disadvantage SIE by giving competitors insight into its product design process and damaging
18 SIE's sensitive partner relationships.
19

20 8. Disclosure of SIE's highly confidential information contained in the
21 aforementioned paragraphs could unfairly enable SIE's competitors to gain insight into SIE's
22 strategic thinking and business strategy and provide competitors with internal data SIE uses for its
23 own competitive advantage and planning, giving an unwarranted advantage to competitors and
24 business partners and risking competitive harm to SIE. Such information would be immensely
25 valuable to competitors in developing their own strategy against SIE and to prospective and
26 current business partners in negotiating with SIE.
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DocuSigned by:
By Christian Svensson
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Christian Svensson